

Exhibit No. 7Date 4-12-13Bill No. HB 454

Teamster Local 190

Supports HB 454

Chairman Ripley and members of the committee;

My name is Rebecca Barger and I represent the Teamsters Local 190 out of Billings, Montana. We represent nearly 500 public employees that pay into the PERS system. We support Representative McChesney's bill for multiple reasons, 1. Defined Benefit plans provide Montana's public employees with a modest retirement income that they can plan for 2. Defined benefit plans are more effective at recruiting and retaining employees 3. Defined benefit plans are more cost effective, making them a relatively inexpensive way for employers to fund retirement benefits.

The Defined Benefit plan, does just that – defines the benefit so the employee and the employer both know the amount they are paying monthly. This allows for employees to work towards their goal so they can retire at an appropriate time for themselves, and is consistent with the workforce management goals. These funds are also invested in the stock market by professionals. Because not all public employees grew up on Wall street, professional management of these funds results in less stress on the employee. Because the pool is larger and there is less fees, the defined benefit system consistently out performs the defined contribution system.

More frequently, employees are worrying about the status of their retirement. With the stock market crash, many younger employees saw their parents 401(K)'s wash down the drain. Personally, my mother lost almost half of her retirement income. Younger workers are beginning to realize the importance of the defined benefit system, and are taking lower wages just to ensure that we can retiree and live at a modest level. We also see that employees with defined benefits keep their jobs longer and retiree from that system. This saves the state in turnover costs and allows us to train our employees to be the best they can be.

According to the National Institute on Retirement Security, the longevity risk, maintenance of a balanced portfolio diversification, and superior investment returns saves the employer money. Therefore, the defined benefit plan costs less than the defined contribution for the same amount of benefits.

The Teamsters support a plan that allows for our members and all of our public employees to be able to plan for retirement, live with a modest income in their retirement, and ensure the tax payers carry less of the burden of the stock market crash. We do not support a plan that carries more volatility, less benefits, and more burdens to the tax payers. We urge you to pass HB 454.